

**REPORT OF THE AUDIT OF THE
BOYLE COUNTY
SHERIFF**

**For The Year Ended
December 31, 2014**



**ADAM H. EDELEN
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE BOYLE COUNTY SHERIFF

**For The Year Ended
December 31, 2014**

The Auditor of Public Accounts has completed the Boyle County Sheriff's audit for the year ended December 31, 2014. Based upon the audit work performed, the financial statement presents fairly, in all material respects, the receipts, disbursements, and excess fees in conformity with the regulatory basis of accounting.

Financial Condition:

Excess fees decreased by \$8,261 from the prior year, resulting in a deficit of \$5,416 as of December 31, 2014. Receipts increased by \$156,546 from the prior year and disbursements increased by \$164,807.

Debt Obligations:

Total debt principal as of December 31, 2014, was \$26,807. Future collections of \$26,807 are needed over the next year to pay debt principal.

Lease principal agreements totaled \$1,727 as of December 31, 2014. Future principal and interest payments of \$1,727 are needed to meet these obligations.

Report Comment:

2014-001 The Sheriff Had A \$5,416 Deficit In The 2014 Fee Account

Deposits:

The Sheriff's deposits as of December 3, 2014 and December 31, 2014, were exposed to custodial credit risk as follows:

- December 3, 2014 - Uncollateralized and Uninsured \$272,763
- December 31, 2014 - Uncollateralized and Uninsured \$3,961

The Sheriff's deposits were covered by FDIC insurance and a properly executed collateral security agreement, but the bank did not adequately collateralize the Sheriff's deposits in accordance with the security agreement.

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ADAM H. EDELEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Harold McKinney, Boyle County Judge/Executive
The Honorable Marty Elliott, Boyle County Sheriff
Members of the Boyle County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying statement of receipts, disbursements, and excess fees - regulatory basis of the County Sheriff of Boyle County, Kentucky, for the year ended December 31, 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



The Honorable Harold McKinney, Boyle County Judge/Executive
The Honorable Marty Elliott, Boyle County Sheriff
Members of the Boyle County Fiscal Court

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the County Sheriff on the basis of the accounting practices prescribed or permitted by the laws of Kentucky to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County Sheriff, as of December 31, 2014, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Sheriff for the year ended December 31, 2014, in accordance with the basis of accounting practices prescribed or permitted by the Commonwealth of Kentucky as described in Note 1.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole. The schedule of excess of liabilities over assets is presented for purposes of additional analysis and is not a required part of the financial statement. Such information has been subjected to auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated in all material respects in relation to the financial statement taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 10, 2015 on our consideration of the Boyle County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Boyle County Sheriff's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control over financial reporting and compliance.

The Honorable Harold McKinney, Boyle County Judge/Executive
The Honorable Marty Elliott, Boyle County Sheriff
Members of the Boyle County Fiscal Court

Other Reporting Required by Government Auditing Standards (Continued)

Based on the results of our audit, we have presented the accompanying comment and recommendation, included herein, which discusses the following report comment:

2014-001 The Sheriff Had A \$5,416 Deficit In The 2014 Fee Account

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Adam H. Edelen', written in a cursive style.

Adam H. Edelen
Auditor of Public Accounts

September 10, 2015

BOYLE COUNTY
MARTY ELLIOTT, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS

For The Year Ended December 31, 2014

Receipts

Federal Grants		\$	5,064
State - Kentucky Law Enforcement Foundation Program Fund (KLEFPF)			41,047
State Fees For Services:			
Sheriff Security Service	\$	14,277	
Waiting on Court		79,948	
Cabinet For Health And Family Services		410	
Conveying Convicts		7,754	
State Mileage Fees/KCPC		<u>9,942</u>	112,331
Circuit Court Clerk:			
Fines and Fees Collected			7,014
County Clerk - Delinquent Taxes			26,139
Commission On Taxes Collected			510,747
Fees Collected For Services:			
Auto Inspections		6,363	
Accident and Police Reports		1,880	
Serving Papers		39,109	
Carrying Concealed Deadly Weapon Permits		<u>10,465</u>	57,817
Other:			
Add-On Fees		43,930	
Fiscal Court Fees		9,690	
Telecommunications		2,259	
Fingerprints		3,015	
Reimbursement/SRO		15,532	
Election Commission		520	
Notary Fees		414	
Miscellaneous		<u>1,231</u>	76,591
Interest Earned			443
Borrowed Money:			
State Advancement			<u>417,354</u>
Total Receipts			1,254,547

The accompanying notes are an integral part of this financial statement.

BOYLE COUNTY
MARTY ELLIOTT, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
For The Year Ended December 31, 2014
(Continued)

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-

Deputies' Gross Salaries	\$ 359,446
Court Security Deputies' Gross Salaries	86,046
Office Staff Salaries	53,391
Overtime Gross Salaries	98,450

Employee Benefits-

KLEFPF Incentive	29,927
KLEFPF Overtime	8,947
KLEFPF Retirement	10,622
Highway Safety	1,609

Materials and Supplies-

Office Materials and Supplies	16,093
Uniforms	11,154

Other Charges-

Conventions and Travel	2,253
Advertising	982
Postage	6,212
Phones	5,207
Fiscal Court Fees	9,690
Ammo/Equipment	18,705
Travel Expenses	532
Training Expenses	4,124
Conveying Convicts	6,008
K-9 Expense	5,327
Carrying Concealed Deadly Weapons Permits	2,410

Capital Outlay-

Office Equipment	4,870
Capital Expenditure	9,395
Vehicles	<u>3,211</u>
	\$ 754,611

Debt Service:

State Advancement	<u>417,354</u>
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Total Disbursements		<u>\$ 1,171,965</u>
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The accompanying notes are an integral part of this financial statement.

BOYLE COUNTY
MARTY ELLIOTT, SHERIFF
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES - REGULATORY BASIS
For The Year Ended December 31, 2014
(Continued)

Net Receipts	\$ 82,582
Less: Statutory Maximum	<u>87,997</u>
Excess Disbursements Over Receipts - 2014	(5,415)
Payment to Fiscal Court - February 24, 2015	<u>1</u>
Fund Deficit as of December 31, 2014	<u>\$ (5,416)</u>

The accompanying notes are an integral part of this financial statement.

BOYLE COUNTY
NOTES TO FINANCIAL STATEMENT

December 31, 2014

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount, including excess fees, due from the Sheriff as determined by the audit. KRS 134.192 requires the Sheriff to settle excess fees with the fiscal court at the time he files his final settlement with the fiscal court.

The financial statement has been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework. Under this regulatory basis of accounting receipts and disbursements are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive) at December 31 that may be included in the excess fees calculation:

- Interest receivable
- Collection on accounts due from others for 2014 services
- Reimbursements for 2014 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2014

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

KRS 66.480 authorizes the Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

BOYLE COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2014
(Continued)

Note 2. Employee Retirement System

The county official and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 19.55 percent for the first six months and 18.89 percent for the last six months.

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 9 percent of their salary to be allocated as follows: 8% will go to the member's account and 1% will go to the KRS insurance fund. The county's contribution rate for hazardous employees was 37.60 percent for the first six months and 35.70 percent for the last six months.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008 aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

CERS also provides post retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

BOYLE COUNTY
 NOTES TO FINANCIAL STATEMENT
 December 31, 2014
 (Continued)

Note 2. Employee Retirement System (Continued)

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount.

Hazardous employees whose participation began on or after July 1, 2003, earn fifteen dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, such employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

Note 3. Deposits

The Boyle County Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the Sheriff's deposits may not be returned. The Boyle County Sheriff does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). On December 3, 2014 and December 31, 2014, the Sheriff's bank balance was exposed to custodial credit risk because the bank did not adequately collateralize the Sheriff's deposits in accordance with the security agreement.

- December 3, 2014 - Uncollateralized and Uninsured \$272,763
- December 31, 2014 - Uncollateralized and Uninsured \$3,961

BOYLE COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2014
(Continued)

Note 4. Note Payable

The Office of the Sheriff is liable for a secured note payable to Farmers National Bank in the amount of \$26,807. Purpose of the note was vehicles. The note matures upon demand and the interest rate is 3.75 percent. The Office of the Sheriff was in compliance with the terms of the agreement as of December 31, 2014.

Note 5. Lease Agreement

The Office of the Sheriff was committed to a lease agreement with Danville Office Equipment for a copier. The agreement requires a monthly payment of \$173 for 60 months to be completed in October 2015. The total remaining balance of the agreement was \$1,727 as of December 31, 2014.

Note 6. Federal Highway Safety Grants

- A. The Boyle County Sheriff's Office received a Federal Highway Safety Grant passed through the Kentucky Department of Transportation in the amount of \$5,500. The grant period was from October 1, 2013, to September 30, 2014. Funds totaling \$5,064 were expended during calendar year 2014. The unexpended grant balance was \$436 at the end of the grant. This was a reimbursement grant.
- B. The Boyle County Sheriff's Office received a Federal Highway Safety Grant passed through the Kentucky Department of Transportation in the amount of \$8,000. The grant period was from October 1, 2014, to September 30, 2015. Funds totaling no were expended during calendar year 2014 for this grant. The unexpended grant balance was \$8,000 at the end of 2014. This is a reimbursement grant.

Note 7. State Seized Funds Account

As of December 31, 2013, the Sheriff had a balance of \$1,723 in the State Seized Funds Account. During 2014, the Sheriff received \$18,248, and expended \$16,574, leaving a balance of \$3,397 as of December 31, 2014. These funds are used to enhance law enforcement activities and not to supplant the Sheriff's normal operating budget; therefore, they are not included as excess fees.

Note 8. Federal Seized Funds Account

As of December 31, 2013, the Sheriff had a balance of \$8,764 in the Federal Seized Funds Account. During 2014, the Sheriff expended \$8,564, leaving a balance of \$200 as of December 31, 2014. These funds are used to enhance law enforcement activities and not to supplant the Sheriff's normal operating budget; therefore, they are not included as excess fees.

Note 9. Seized Holdings Account

As of December 31, 2013, the Sheriff had a balance of \$21,116 in the Seized Holdings Account. During 2014, the Sheriff received \$39,150, and expended \$26,062, leaving a balance of \$34,204 as of December 31, 2014. The use of these monies is determined by the court order granting forfeited funds to the Sheriff's office; therefore, they are not included as excess fees.

BOYLE COUNTY
NOTES TO FINANCIAL STATEMENT
December 31, 2014
(Continued)

Note 10. Undercover Account

As of December 31, 2013, the Sheriff had a balance of \$663 in the Undercover Account. During 2014, the Sheriff received \$2,000, and expended \$830, leaving a balance of \$1,833 as of December 31, 2014. These funds are used to enhance law enforcement activities and not to supplant the Sheriff's normal operating budget; therefore, they are not included as excess fees.

Note 11. Donation Account

As of December 31, 2013, the Sheriff had a balance of \$4,625 in the Donation Account. During 2014, the Sheriff received \$3,999, and expended \$5,311, leaving a balance of \$3,313 as of December 31, 2014. The use of these monies is to further the public purpose of the office and not to supplant the Sheriff's normal operating budget; therefore, they are not included as excess fees.

Note 12. Explorer Program Account

During 2014, the Sheriff opened an account for the receipt of funds associated with the Explorer's Program. During 2014, the Sheriff received \$2,335, and expended \$1,180, leaving a balance of \$1,155 as of December 31, 2014. Receipts and expenditures from this account are for the benefit of the Explorer's Program operated by the Sheriff's office and not to supplant the Sheriff's normal operating budget; therefore, they are not included as excess fees.

Note 13. Commitments and Contingencies

The Sheriff's Office is involved in multiple lawsuits that arose from the normal course of doing business. While individually they may not be significant; in the aggregate, they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

BOYLE COUNTY
MARTY ELLIOTT, SHERIFF
SCHEDULE OF EXCESS LIABILITIES OVER ASSETS - REGULATORY BASIS

December 31, 2014

Assets

Cash in Bank	\$ 451,842
Deposits in Transit	550
Receivables	<u>87,162</u>

Total Assets	539,554
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Liabilities

Outstanding Checks	\$ 86,991
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Paid Obligations:

State Treasurer:

State Advance	\$ 417,354
Carrying Concealed Deadly Weapons Permits	80

Boyle County Fiscal Court:

Excess Fees - 2014	1
Payroll	24,409
Fiscal Court Fees	2,150
KLEFPF Reimbursement	2,658

Other:

Office Expenses - 2014	<u>5,911</u>
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Total Paid Obligations	452,563
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Unpaid Obligations:

Boyle County Fiscal Court - Payroll Liability	<u>5,416</u>
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Total Liabilities	<u>544,970</u>
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Total Fund Deficit as of December 31, 2014	<u><u>\$ (5,416)</u></u>
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



ADAM H. EDELEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Harold McKinney, Boyle County Judge/Executive
The Honorable Marty Elliott, Boyle County Sheriff
Members of the Boyle County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards**

Independent Auditor's Report

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the statement of receipts, disbursements, and excess fees - regulatory basis of the Boyle County Sheriff for the year ended December 31, 2014, and the related notes to the financial statement and have issued our report thereon dated September 10, 2015. The Sheriff's financial statement is prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a special purpose framework.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Boyle County Sheriff's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Boyle County Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Boyle County Sheriff's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, which is described in the accompanying comment and recommendation as item 2014-001 that we consider to be a significant deficiency.



Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With Government Auditing Standards
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Boyle County Sheriff's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Sheriff's Response to Finding

The Boyle County Sheriff's response to the finding identified in our audit is included in the accompanying comment and recommendation. The Boyle County Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Adam H. Edelen
Auditor of Public Accounts

September 10, 2015

COMMENT AND RECOMMENDATION

BOYLE COUNTY
MARTY ELLIOTT, SHERIFF
COMMENT AND RECOMMENDATION

For The Year Ended December 31, 2014

INTERNAL CONTROL - SIGNIFICANT DEFICIENCY:

2014-001 The Sheriff Had A \$5,416 Deficit In The 2014 Fee Account

The Sheriff had a deficit balance of \$5,416 in the 2014 fee account. The deficit is attributable to unpaid payroll liabilities and the official's failure to adequately monitor receipts and disbursements. Good internal controls dictate that disbursements should be monitored closely to ensure receipts are sufficient to cover expenses. Failure to adequately monitor receipts and disbursements resulted in the Sheriff not having sufficient funds to cover incurred payroll and operating expenses. We recommend the Sheriff work with Fiscal Court to eliminate the deficit in the 2014 fee account.

Sheriff's Response: The deficit is being covered by the Fiscal Court on over-extended payroll. Prior to the audit the Sheriff and Fiscal Court had made an agreement to cover the deficit.

